

**BEFORE THE DIVISION OF INSURANCE**

**STATE OF COLORADO**

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**FINAL AGENCY ORDER O-06-157**

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**IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF THRIVENT  
FINANCIAL FOR LUTHERANS,**

**Respondent**

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**THIS MATTER** comes before the Colorado Commissioner of Insurance (the "Commissioner") as a result of a market conduct examination conducted by the Colorado Division of Insurance (the "Division") of Thrivent Financial for Lutherans, (the "Respondent"), pursuant to §§ 10-1-201 to 207, C.R.S. The Commissioner has considered and reviewed the market conduct examination report dated November 3, 2005 (the "Report"), relevant examiner work papers, all written submissions and rebuttals, and the recommendations of staff. The Commissioner finds and orders as follows:

**FINDINGS OF FACT**

1. At all relevant times, the Respondent was licensed by the Division as a fraternal life and annuity insurance company.
2. In accordance with §§ 10-1-201 to 207, C.R.S., on November 3, 2005, the Division completed a market conduct examination of the Respondent. The period of examination was January 1, 2004 to March 31, 2005.
3. In scheduling the market conduct examination and in determining its nature and scope, the Commissioner considered such matters as complaint analyses, underwriting and claims practices, pricing, product solicitation, policy form compliance, market share analyses, and other criteria as set forth in the most recent available edition of the examiners' handbook adopted by the National Association of Insurance Commissioners, as required by § 10-1-203(1), C.R.S.
4. In conducting the examination, the examiners observed those guidelines and procedures set forth in the most recent available edition of the examiners' handbook adopted by the National Association of Insurance Commissioners and the Colorado insurance examiners handbook. The Commissioner also employed other guidelines and procedures that he deemed appropriate, pursuant to § 10-1-204(1), C.R.S.

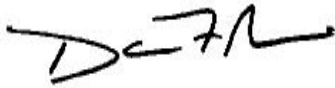
5. The market conduct examiners prepared a Report. The Report is comprised of only the facts appearing upon the books, records, or other documents of the Respondent, its agents or other persons examined, or as ascertained from the testimony of the Respondent's officers or agents or other persons examined concerning Respondent's affairs. The Report contains the conclusions and recommendations that the examiners find reasonably warranted based upon the facts.
6. Respondent delivered to the Division written submissions and rebuttals to the Report.
7. The Commissioner has fully considered and reviewed the Report, any and all of Respondent's submissions and rebuttals, and all relevant portions of the examiner's work papers.

### **CONCLUSIONS OF LAW AND ORDER**

8. Unless expressly modified in this Final Agency Order (the "Order"), the Commissioner adopts the facts, conclusions and recommendations contained in the final Report. A copy of the final Report is attached to the Order and is incorporated by reference.
9. Issue A1 concerns the following violation: Failure, in some cases, to maintain records required for market conduct purposes. The Respondent shall provide evidence to ensure that its records are correctly maintained for market conduct purposes in compliance with Colorado insurance law. The Division's records indicate that Respondent has complied with the corrective actions ordered concerning this violation.
10. Issue B1 concerns the following violation: Failure to clearly set forth the most serious consequence for failure to obtain the Company's approval of advertising prior to use with the public. The Respondent shall provide evidence to ensure that it has provided an annual notification regarding prior approval of advertisements and the most serious consequence of not obtaining such approval of advertising prior to public use in compliance with Colorado insurance law. The Division's records indicate that Respondent has complied with the corrective actions ordered concerning this violation.
11. Issue G1 concerns the following violation: Failure, in some cases, to comply with replacement notification requirements, as the replacing company in an annuity transaction. The Respondent shall provide evidence that it has revised its procedures to comply with replacement notification requirements in an annuity replacement transaction to ensure compliance with Colorado insurance law. The Division's records indicate that Respondent has complied with the corrective actions ordered concerning this violation.

12. Pursuant to § 10-1-205(3)(d), C.R.S., the Respondent shall pay a civil penalty in the amount of one thousand no/100 dollars (\$1,000.00) for the cited violations of Colorado law. This fine was calculated in accordance with Division guidelines for assessing penalties and fines, including Division bulletin no. 1-98, issued on January 1, 1998.
13. Pursuant to § 10-1-205(4)(a), C.R.S., within sixty (60) days of the date of this Order, the Respondent shall file affidavits with the Division executed by each of its directors stating under oath that they have received a copy of the adopted report and related orders.
14. Unless otherwise specified in this Order, all requirements with this Order shall be completed within thirty (30) days of the date of this Order. Respondent shall submit written evidence of compliance with all requirements to the Division within the thirty (30) day time frame, except where Respondent has already complied, as specifically noted in the Order. Copies of any rate and form filings shall be provided to the rate and forms section with evidence of the filings sent to the market conduct section. All audits, if any, shall be performed in accordance with Division's document, 'Guidelines for Self Audits Performed by Companies' presented at the market conduct examination exit meeting. Unless otherwise specified in this Order, all self-audit reports must be received within ninety (90) days of the Order, including a summary of the findings and all monetary payments to covered persons.
15. This Order shall not prevent the Division from commencing future agency action relating to conduct of the Respondent not specifically addressed in the Report, not resolved according to the terms and conditions in this Order, or occurring before or after the examination period. Failure by the Respondent to comply with the terms of this Order may result in additional actions, penalties and sanctions as provided for by law.
16. Copies of the examination report, the Respondent's response, and this final Order will be made available to the public no earlier than thirty (30) days after the date of this Order, subject to the requirements of § 10-1-205, C.R.S.

**WHEREFORE:** It is hereby ordered that the findings and conclusions contained in the Report dated November 3, 2005, are hereby adopted and filed and made an official record of this office, and the above Order is hereby approved this 10th day of March, 2006.

A handwritten signature in black ink, appearing to read 'Dc7A' or similar, with a stylized flourish at the end.

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David F. Rivera  
Commissioner of Insurance

**CERTIFICATE OF MAILING**

I hereby certify that on the 10th day of March, I caused to be deposited the **FINAL AGENCY ORDER No. O-06-157 IN THE MATTER OF THE MARKET CONDUCT EXAMINATION OF TRIVENT FINANCIAL FOR LUTHERANS**, in the United States mail via certified mailing with proper postage affixed and addressed to:

Mr. Bruce J. Nicholson, President  
Thrivent Financial For Lutherans  
4321 North Ballard Road  
Appleton, WI 54919-0001

Carla A. Strauch, Insurance Compliance Manager  
Thrivent Financial For Lutherans  
4321 North Ballard Road  
Appleton, WI 54919-0001

A handwritten signature in black ink, reading "Dolores Arrington". The signature is fluid and cursive, with the first name "Dolores" being more prominent and the last name "Arrington" following in a similar style.

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Dolores Arrington, AIE,AIRC,ACS, MA  
Market Conduct Section  
Division of Insurance